

STAND. COM. REP. NO.

106

Honolulu, Hawaii

FEB 04 , 2025

RE: H.B. No. 376
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Madame:

Your Committee on Energy & Environmental Protection, to which was referred H.B. No. 376 entitled:

"A BILL FOR AN ACT RELATING TO CESSPOOLS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Accelerate the deadlines for required upgrades, conversions, or connections of:
 - (A) The 13,821 priority level 1 cesspools in the State to 2035, with certain exceptions; and
 - (B) The 12,367 priority level 2 cesspools in the State to 2040;
- (2) Appropriate funds for the Cesspool Compliance Pilot Grant Program; and
- (3) Re-establish a Cesspool Upgrade, Conversion, or Connection Income Tax Credit.

Your Committee received testimony in support of this measure from Department of Hawaiian Home Lands; Hawaii Green Infrastructure Authority; one member of the Kaua'i County Council;

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one member of the Hawai'i County Council; Hawai'i Reef and Ocean Coalition; Hawai'i State Association of Counties; The Nature Conservancy Hawai'i and Palmyra; Hawai'i Wai Ola; WAI: Wastewater Alternatives & Innovations; and one individual. Your Committee received comments on this measure from the Department of the Attorney General; Department of Health; Hawai'i Association of REALTORS; and Tax Foundation of Hawaii.

Your Committee finds that cesspools are antiquated, substandard systems that pollute Hawaii's waters and contribute to environmental harm across the State. Your Committee further finds that the State must expedite its efforts to upgrade, convert, or connect certain cesspools. This measure addresses this need by accelerating the deadlines for the required upgrades, conversions, or connections of priority level 1 and priority level 2 cesspools to 2035 and 2040, respectively.

Your Committee has amended this measure by:

- (1) Removing the appropriation for the Cesspool Compliance Pilot Grant Program;
- (2) Removing the Cesspool Upgrade, Conversion, or Connection Income Tax Credit;
- (3) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Energy & Environmental Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 376, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 376, H.D. 1, and be referred to your Committee on Water & Land.



Respectfully submitted on
behalf of the members of the
Committee on Energy &
Environmental Protection,



NICOLE E. LOWEN, Chair



